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MARCH 21, 1966



HOW EEC HELPS ITS  
AFRICAN ASSOCIATES

NEW SOVIET FARM PLAN

REPORT ON SOYBEAN  
OIL USE IN JAPAN

# FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE

# FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

MARCH 21, 1966

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# New Soviet Plan Implies Major Farm Policy Switch

*The programs outlined for Soviet agriculture in 1966-70, while not new in themselves, add up to a new look at Soviet farmers and their needs.*

by HARRY E. WALTERS  
Foreign Regional Analysis Division  
Economic Research Service

The Soviet Five Year Plan for 1966-70 comes as a climax to the series of economic changes instituted in the Soviet Union since the fall of Khrushchev in October 1964. For agriculture, it could be considered something of an anticlimax, since the major agricultural programs have already been announced. The Plan simply established the guidelines within which these programs and Soviet agriculture itself are expected to operate.

Yet if the array of new agricultural programs culminating in the new plan are followed scrupulously until the end of the decade, they will represent a major change in Soviet agricultural policy, one that is especially significant since this is being stated at this time.

In essence, agricultural policy under Brezhnev and Kosygin demands less of agriculture in terms of output, while it puts more into agriculture in terms of higher prices and incentives and larger allocations of capital, machinery, fertilizer, and other production factors. It also appears to involve a more realistic and pragmatic approach to agricultural management and organization.

## What led up to the Plan

Agricultural production during the last plan (the Seven Year Plan for 1959-65) could hardly have been less successful. Gross output, by the Soviets' own index, increased only about 14 percent, while population grew about 11 percent. In net terms production increased much less, remaining below the per capita level that prevailed when the plan was undertaken. The consequences of this poor

performance have been most strikingly evident in the large grain imports of the past 3 years. But these imports are only the most obvious external manifestations of a general stagnation in Soviet agriculture, which has slowed the growth of the entire economy. (Agriculture accounts for about 21 to 22 percent of national income.)

The new plan and its associated agricultural programs represent a major effort on the part of the Soviet Government to break out of this pattern of stagnation. Whether they succeed or fail, the outcome will have an important impact not only upon the Soviet economy but upon the future world market for agricultural commodities.

## The Plan's major features

Hitherto, Soviet agricultural plans have been typified by output goals that were obviously incapable of attainment. The 1965 goal of the Seven Year Plan called for a gross agricultural output of 82 billion rubles; the level actually reached was about 55 billion. Though these exorbitant goals may have been designed to spur farm workers to great efforts, it is generally agreed that they actually hampered effort and output, especially when the government attempted through high procurements (government purchases) to extract a large share of output although paying low prices and providing limited inputs of capital, fertilizer, and machinery.

The new plan, while it still calls for a substantial increase in gross production—some 5.5 percent per year—nevertheless calls for a smaller gross output by 1970 than was previously planned for 1965—an implied total of 72 billion rubles by the end of the decade. Such a goal becomes even more modest when it is remembered that population will increase another 6 to 7 percent by the end of the decade

Cattle barns on Put Lenina collective farm, Tambov.





and that output in the first half of the decade was extremely limited. For the entire decade of the 1960's the goal implies an annual growth rate of less than 4 percent and an increase of only 27 percent in per capita agricultural output, or only 70 percent of the production increase that took place during the decade of the 1950's.

### Increased farm imports & incentives

At the same time the new plan involves very large increases in producer prices, incentives, and inputs, as the table below indicates.

The land opened for irrigation between 1945 and 1965 amounted to 2.3 million hectares (5.7 million acres); the next 5 years are expected to add another 3.1 million hectares (7.7 million acres). The land under reclamation in the earlier period was 3.0 million hectares (7.4 million acres); the new plan is due to add twice that amount. It also calls for an increase of 35-45 percent in the income of collective farmers (cash and kind).

These increases in inputs and incentives are especially significant when it is realized that during the years 1958-61 there was virtual stagnation and in some cases actual decline in the government's allocations of machinery, fertilizer, and capital to agriculture and in some farm prices and incentives. The increases which took place in them during 1962-64 were a valiant attempt by Khrushchev to overcome the evident mistakes of his policies after 1958, but their usefulness was reduced by his rigid adherence to impossible production and procurement goals as well as to other policies that hurt agricultural production.

Not only on the input, price, and incentive fronts does

MAJOR INPUTS IN SOVIET AGRICULTURE

Item	Actual		Planned,
	1956-60	1961-65	1966-70
Capital investment, total	<i>Bil.</i>	<i>Bil.</i>	<i>Bil.</i>
for 5-year period	<i>rubles</i>	<i>rubles</i>	<i>rubles</i>
Annual average deliveries of	25.2	41.0	71.0
machinery to agriculture:	<i>Thou-</i>	<i>Thou-</i>	<i>Thou-</i>
Tractors	<i>sands</i>	<i>sands</i>	<i>sands</i>
Trucks	149.5	210.6	356.0
Grain combines	96.8	72.2	220.0
Fertilizer delivered to agri-	65.0	76.9	110.0
culture by end of period	<i>Mil.</i>	<i>Mil.</i>	<i>Mil.</i>
(gross weight)	<i>tons</i>	<i>tons</i>	<i>tons</i>
	11.4	27.5	55.0

SOVIET PRODUCTION OF  
SELECTED CONSUMER GOODS

Item	Actual		1970 (plan)	Increases	
	1960	1965		1965 over 1960	1970 over 1965
Automobiles & trucks— <i>thous.</i> .....	524	616	1,360-	<i>Per-</i> 18	<i>cent</i> 120-
Cloth			6,510		145
— <i>mil. sq. meters</i> ..	6,468	7,500	9,500-	16	26-
Shoes			9,800		31
— <i>mil. pair</i> .....	419	486	610-	16	26-
Radios			638		30
— <i>thous.</i> .....	4,165	5,200	7,500-	25	44-
Television			8,000		54
sets— <i>thous.</i> .....	1,726	3,200	7,500-	114	134-
Refrigerators			7,700		141
— <i>thous.</i> .....	530	1,700	5,300-	221	212-
Motorcycles and			5,600		230
bicycles— <i>thous.</i> ..	553	721	1,000-	30	39-
Furniture			1,100		53
— <i>mil. rubles</i> .....	1,116	1,800	2,600-	63	44-
			2,800		56

the new plan represent a major departure from the past, but also in the area of consumer welfare. About 47 percent of the Soviet population is rural, and there must be consumer goods for these millions of people to buy if their higher incomes are to be meaningful incentives. Historically Soviet industrial development has rested on the rapid growth of heavy industry at the expense of the consumer. In the period 1960-65 consumer goods production increased only 35 percent while heavy industrial output grew by almost 60 percent. In the new plan, these growth rates are to be much more nearly equal: consumer goods production is to increase 42-46 percent while the output of heavy industry is to grow 49-52 percent.

The accompanying table shows the increases planned in the production of nonfood goods for the Soviet consumer to buy with his planned 30-percent increase in real per capita income.

Although even the scheduled 1970 output of these consumer goods is small by U.S. standards, it would represent a major increase by comparison with the first half of the decade. In addition, for the availability of housing—another urgent need of the Soviet consumer—an increase of 30 percent is planned. The availability of food through government channels is also slated to increase, faster in general than during the first half of the decade.

### What is expected of agriculture

What agriculture is expected to produce during the new plan is somewhat difficult to determine. Following their general approach, Brezhnev and Kosygin are very cautious in stipulating specific agricultural output goals for the remainder of this decade. The plan calls for a 25-percent higher average gross agricultural production during 1966-70 than during 1961-65, and an average increase of 30 percent in grain production. A uniform increase in grain production sufficient to supply this average increase would mean a "bunker weight"—gross of weeds, trash, dirt, and moisture—harvest of 190 million tons by 1970, compared with "bunker weight" of only 120 million in 1965 and 152 million in 1964. (See *Foreign Agriculture*, Mar. 22, 1965.)

Despite the significant features of the new programs, it appears highly unlikely that such a level of output—which would imply an average grain production of about 170 million tons "bunker weight" during 1966-70—can be obtained, especially since it rests upon harvesting from 21 million to 22 million tons of grain in Kazakhstan, the major New Lands area. In that area such a harvest has been obtained only in 1956, 1958, and 1964, all years of excep-

SOVIET FOOD PRODUCTION  
THROUGH STATE CHANNELS

Item	Actual		1970 (Plan)	Increases	
	1960	1965		1965 over 1960	1970 over 1965
Meat	1,000 tons	1,000 tons	1,000 tons	<i>Per-</i>	<i>Per-</i>
	4,406	4,800	5,900-	9	23-30
			6,200		
Fish	3,541	5,800	8,500-	64	46-55
			9,000		
Milk products	8,300	11,500	16,000-	38	39-48
			17,000		
Butter	737	1,066	1,160	45	9
Cheese	184	308	625-	67	100-
			675		120
Vegetable oil	1,586	2,200	2,950-	39	34-41
			3,100		





*Cattle on valley pasture, Svanetia, Georgia. Woman tends grain-cleaning equipment, Komintern collective, Tambov.*

tionally favorable weather. Furthermore, the present policy for the New Lands involves an increase in the use of fallow as well as other more appropriate dryland farming techniques. These, although beneficial in the long run, can be expected to reduce the grain area somewhat.

On the other hand, the non-black-soil zone of northern European Russia, where yields are extremely low but weather conditions fairly good, is being upgraded sharply in the new plan. A significant response to fertilizer should be evident in that region and in the other more favorable grain regions such as the Ukraine and North Caucasus.

#### Other farm production goals

Studies in the U.S. Department of Agriculture and elsewhere indicate that with the planned deliveries of fertilizer and the other elements of the new program, a total increase of about 30 percent or more in grain production is possible by 1970. Thus, although the Soviet Union probably will not obtain an *average* 30-percent increase during 1966-70, it could achieve an *absolute* increase of this size by the end of the decade. That this might even be in the minds of the Soviet planners is indicated by the evasive manner in which the grain plan has been presented.

For other crops and livestock products the output goals are not given. In most cases planned percentage increases in per capita consumption are mentioned. Some of these increases are: Meat 20-25, milk 15-18, sugar 25, vegetables 35-40, vegetable oil 40-46, fruits and vegetables 45-50, fish 50-60. Between production and eventual per capita consumption there is considerable slippage, but these figures suggest a modest planned increase in meat and milk production and a major one in production of most other foods.

The relatively small increases implied in livestock-product output reflect the apparent realization that expansion in these products can only come after the supply of

feed, especially grains, is increased. The new plan actually implies a more favorable ratio between feed and livestock-product output than has existed in recent years.

For the industrial crops, the pattern of output in recent years, coupled with the new program, suggests that these crops—sugarbeets, cotton, oilseeds, and others—will continue to show considerable progress. The performance of these crops, which customarily have received favored treatment in terms of prices, fertilizer, and other inputs, suggests that when this treatment is extended to other crops, as it is in the new plan, one should not be surprised by increases in output there too.

#### What will actually happen

The conditions which are stipulated by the new plan depart in so many ways from what was characteristic in the past that there are few yardsticks to rely upon. Ultimate success or failure depends upon how conscientiously the new programs are carried out and how Soviet agriculture—both the managers and the farm workers—responds to them. That no previous agricultural plan has even come close to being fulfilled does not argue for optimism, nor does the stagnation of the past half decade or more.

On the other hand, this Plan and these programs are more realistic than their predecessors, and in general they should yield more meaningful results. Every objective indication suggests that agricultural output will increase substantially during the remainder of this decade. Whether the goals are entirely achieved is another matter, but at this point the Plan is a clear indication that the Soviet Government is committing itself to a heavy investment in agriculture. The results of this effort, great or small, will have an important effect upon the world market for farm products, the viability of the Soviet economy in general, and the welfare of the Soviet people.



# How the EEC Helps Its African Associates

*The European Community has put partnership into practice with \$1.3 billion in loans and grants to finance the economic development of the Associated African States.*



*Above, this pumping station under construction in the outskirts of Ouhiougou, a small Upper Volta city, is part of a water-supply project financed by \$375 million in EDF funds.*

*The pipeline pictured at right is part of a pumping station for an irrigation scheme built with EDF funds in Katiebougou, a small Mali village on the bank of the Niger. A college of agriculture in the town trains leading farmers of the Mali territory.*

When in 1957 Belgium, Germany, France, Italy, Luxembourg, and the Netherlands signed the Treaty of Rome creating the Common Market, they provided for the voluntary associate membership of 18 overseas countries or territories for a period of 5 years. All the countries in question were African and Malagasy colonies or territories of one or other Community country, all closely tied with the economy of the Continent.

By 1960, most of the African states had gained their independence, and had decided to renew the association link of their own free will. The Youande Convention, which became effective June 1964, extended the association through 1969. The Associated African States are Burundi, Cameroon, Central African Republic, Chad, Congo (Brazzaville), Congo (Leopoldville), Dahomey, Gabon, Ivory Coast, Madagascar, Mali, Mauritania, Niger, Rwanda, Senegal, Somalia, Togo, and Upper Volta.

Of immediate significance in the Rome Treaty was the resultant organization of a vast economic area allowing maximum circulation of goods, capital, and people under common rules. However, the more far-reaching result of association has been the EEC's hand in furthering the agricultural, social, and economic progress of its underdeveloped partners. In fact the free states decided to renew association partly because they felt that the aid to economic, social, and cultural development which they would receive would strengthen their new political independence.

The Community countries declared in the preamble to the Treaty of Rome their intentions "to confirm the solidarity which binds Europe and overseas countries and to insure the development of their prosperity."

## Financing the aid

To carry out their pledge of assistantship, the EEC created the European Development Fund (EDF) which would finance development projects in the associated states, through loans, advances, subsidies, and outright grants. This fund soon became the keystone between the European Community and the African and Malagasy countries. From the start, common funds put at the service of these coun-







*Left, a veterinarian examines a goat in front of a new immunization center built with EDF funds at Bogue, Mauritania. Animal breeding is the country's chief source of income.*

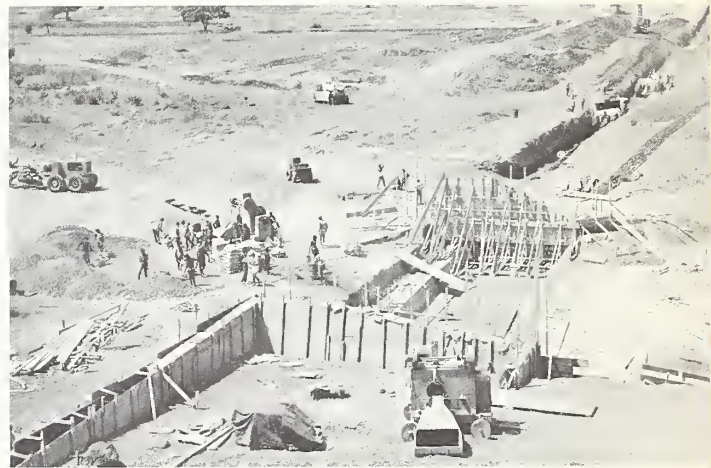


tries came exclusively from budgetary contributions.

The EDF was initially endowed with \$581 million to finance basic economic and social projects as well as some technical assistance in the African states. All of this has been fully committed. Nearly one-quarter of it has gone for the modernization of rural areas, financing agricultural studies, farming cooperatives, soil conservation, water supplies, irrigation, drainage, and crop development.

Under the Youande Convention, aid was increased by 38 percent—to an additional \$370 million, of which \$620 million was in the form of non-returnable grants. Some \$207 million has been fully committed to date.

Aid from the new allocation can take a greater variety of forms, it can be used for a much wider range of tasks, and there is a new emphasis on technical assistance. The new Convention allows the EEC to undertake projects for price stabilization, technical cooperations, and emergency measures in the event of a disaster. Also, more than one-quarter of the funds has been specifically earmarked for aid to diversification and production. Producers will receive assistance in adapting their output to the needs of the world market, and in extending the range of their crops to remedy the weaknesses of single-crop economies.



*An inadequate supply of potable water is a permanent problem in Africa. Top, cattle near an EDF-financed dam in Mauritania; above, dam construction in Upper Volta; below, Mauritanian women draw water at a new well.*





# Japan's Imports of U.S. Agricultural Products Reach Record Value of \$966 Million in 1965

Preliminary Japanese data place the value of Japan's imports of U.S. farm products in 1965 at a record \$966 million on a c.i.f. basis. This compares with \$810 million in 1964, \$672 million in 1963, and \$516 million in 1962.

Total imports from the United States peaked at \$2,366 million, c.i.f. basis. Thus, agricultural products represented about 40 percent of the overall value. Highlights in Japan's imports of major agricultural commodities in 1965 follow:

**Soybeans**—On a value basis, soybeans were again the leading single commodity imported from the United States. Imports of U.S. soybeans totaled almost 1.5 million metric tons valued at \$179 million, up sharply from the previous record of \$154 million in 1964, when imports were about 1.3 million tons. At about 380,000 metric tons, purchases from Communist China were up almost 100,000 tons from the 1964 level. The larger volume of Japan's soybean imports last year tended to be offset partially by the changing price-supply situation between safflowerseed and soybeans, which are used interchangeably for crushing.

**Soybean cake and meal**—Early in 1965, because of the U.S. shipping strike, U.S. soybeans for crushing were in short supply in Japan. In an attempt to stabilize the rising meal prices that resulted, the Japanese Government permitted sizable imports of soybean meal, mainly from the United States. Consequently, Japan imported 41,701 metric tons of U.S. soybean meal, compared with only 13,243 in 1964. Total meal imports were 46,320.

## Feed sales soar

Japan's imports of U.S. feed grains last year had a combined c.i.f. value of almost \$250 million, compared with \$165 million in 1964. The country's rapidly expanding mixed feed industry and the rather stabilized supply of grains from competing countries accounted for the rising U.S. sales.

**Corn**—Imports of U.S. corn in 1965 reached a record 2.3 million metric tons, up about 50 percent from the previous year because of adequate U.S. supplies and reduced availabilities from other sources. In the same period,

total corn imports increased from 3.23 million to 3.43 million metric tons.

**Grain sorghum**—Of a record 1.43 million metric tons of grain sorghum imported into Japan, the United States supplied 1.28 million. Most of the remainder came from Argentina.

**Barley**—Total imports of barley, used both for food and feed, jumped sharply in 1965, but those from the United States, at 269,295 metric tons, were down slightly from the 276,163 tons imported in 1964. According to trade sources, U.S. barley at times was unavailable at competitive prices, preventing the United States from sharing in the larger market.

**Miscellaneous feedstuffs**—Purchases of miscellaneous feedstuffs, mainly alfalfa pellets, from the United States rose sharply, totaling 235,045 metric tons at a value of \$13.3 million.

## Cotton down, wheat up

**Raw cotton**—Imports of U.S. raw cotton totaled 227,952 metric tons valued at almost \$133 million—a small drop from the 236,317 tons imported in 1964. However, Japan's total raw cotton imports were up about 10,500 tons in the same period. Larger imports from Mexico and Central America—which offered comparable growths at slightly lower prices—generally accounted for the decline in purchases from the United States.

**Wheat**—Japan imported a record 1.79 million metric tons of U.S. wheat in 1965, valued at \$131.6 million on a c.i.f. basis. Growing demand, more competitive prices, and the more strategic location of U.S. wheat stocks were responsible for the 110,600-ton increase over 1964 imports from the United States. At 3.46 million metric tons, total imports of wheat were up about 53,000 tons from the 1964 level.

**Animal fats**—Imports of U.S. animal fats last year maintained the up-trend of recent years, with a total c.i.f. value of \$45.6 million compared with \$34.5 million the year before. Although prices were higher in 1965, demand rose because competing products were relatively more expensive.

Purchases of U.S. lard and hog grease (mainly grease) were 37,574 metric tons, against 32,419 tons in 1964. Refining to make so-called

"Dutch" lard reportedly accounted for much of the increase. Imports of U.S. tallow jumped from 163,339 tons in 1964 to 171,333 tons last year despite a drop in total tallow imports from 192,246 to 190,913 metric tons in the same period.

**Leaf tobacco**—Japan's purchases of leaf tobacco, at 24,500 metric tons, dropped fairly sharply from 1964's record level of 29,092 tons. Imports from the United States, at 12,023 tons, were down from 15,063 the previous year. Generally, this decline reflected heavy carryover stocks from the high import level of 1964.

**Nonfat dry milk**—The U.S. share of Japan's nonfat dry milk imports, which fell substantially in 1965, dropped more sharply than the total. Practically all nonfat imported from the United States moved under the school lunch program at concessional prices. Imports for use by the feed and other industries are purchased according to a quota system, with New Zealand a large supplier.

—Dispatch from J. D. MINYARD  
Assistant U.S. Agricultural Attaché  
Tokyo

## Norway Buys More U.S. Wheat

According to the Norwegian Grain Corporation, Norway has purchased a record 165,000 metric tons of U.S. wheat this crop year (July-June).

About 2,000 tons of durum were imported on a trial basis to meet the needs of pasta manufacturers. Of the remainder, about 13,000 tons were Soft Red and 150,000 tons Hard Winter with up to 12 percent protein.

About 15,000 tons have already arrived in Norway, and importers were fully satisfied with its quality. Worth noting are the large shipments—to total 42,000 tons—from the Pacific coast. The decision to ship from there was based entirely on price.

Norway's purchases of wheat from other sources total 140,000 metric tons—70,000 from Argentina, 42,000 from Canada, and 25,000 from France.

This year, Norway has made commitments to purchase more than 60 percent of its bread-wheat requirements from the United States. The usual amount has been 25-30 percent although last year, because of high prices and the U.S. shipping strike, no U.S. bread wheat was imported.



# Spain Boosts Its Citrus Exports and at Same Time Gets Higher Prices in Foreign Markets

Few in the Spanish citrus industry would have believed 5 months ago that in spite of Common Market "reference prices," Spain would manage to increase exports of citrus fruits in the 1965-66 marketing season. Yet, this is a fact—at least so far in this season—according to the Fruit and Vegetable Syndicate.

This source reports that citrus shipments in the period October 1, 1965, through January 15, 1966, totaled over 570,000 metric tons, or 6.1 percent larger than in the same period of the 1964-65 season. Moreover, prices paid abroad for Spanish citrus have been substantially higher than a year ago: a 30-percent price increase is estimated by Spanish official sources.

Domestic prices have reflected this upward trend in foreign market prices. For example, prices paid to producers for "Navels" and "Bloods," two varieties which account for over 60 percent of Spain's output, are 15 to 20 percent higher than a year ago.

## Competitive position bettered

Three major factors have contributed to improve the competitive position of Spanish citrus in the current season—in spite of EEC discriminatory policies:

- Domestic citrus export restrictions to prevent Spanish prices from falling below the protective entry level established by the EEC.
- Reduced competition from North African producers in continental markets.
- Massive free promotion of Spanish and other "third country" citrus fruits on the Continent as a result of "Orange War" news items.

In early December 1965, the Spanish Government established the Citrus Export Regulating Committee (Comisión Reguladora para la Exportación de Cítricos), with full power to limit or ban selling methods which may adversely affect prices in consignment sales. It is also empowered to regulate shipments on the basis of specific market prospects and fruit available for sale and to restrict shipments on a quality basis, suppressing varieties and sizes in accordance with international market trends.

The Committee, made up of representatives from the Ministries of Commerce, Agriculture, and the Fruit and Vegetable Syndicate, has established an export "contingent" or quota system which so far has proved quite satisfactory. Export quotas, which are established on a weekly basis, were initiated with a 50,000-metric-ton quota in the period December 6-12, declining to 25,000 metric tons in subsequent weeks until mid-January when it was raised to 40,000 tons.

The optimism of Spanish citrus producers and exporters has been further boosted by the new proposal of the EEC Executive Committee to pay direct subsidies to Italian producers

whenever imports from non-member countries are above a floor price of \$13.10 per 100 kilograms. If third countries offer below the floor, a countervailing duty will be applied. If above, Italian producers will receive subsidies equal to the difference between the price of the imported oranges and a previously fixed price.

A new adverse development in Spanish citrus exports is the decline in sales to the United Kingdom as a result of the ever-stronger competition of Israel. In the period October 1, 1965-January 16, 1966, Spanish citrus exports to the United Kingdom declined by 13.6 percent compared with the same period of 1964-65. Spain is expected to launch an expensive, all-media, promotional campaign to regain this lost market.

—DALE K. VINING, *Assistant U.S. Agricultural Attaché, Madrid*

## British Take Fewer U.S. Farm Products in 1965

The value of U.S. agricultural products imported by the United Kingdom last year, at \$438 million c.i.f., fell 9 percent from the level of 1964. Although purchases of cereals and fruits increased somewhat, those of lard were markedly reduced while tobacco and cotton made a poor showing.

However, U.S. agriculture's share of the British market—8.1 percent—registered only a slight decline, mainly because total British imports of agricultural commodities in 1965 were 4 percent below 1964.

### Corn tops imports

The largest individual item imported from the United States was corn, at 2.2 million short tons. U.S. corn accounted for 60 percent of Britain's corn imports by volume, as against 56 percent in 1964.

Among other U.S. grains, imports of sorghums increased sizably—from 72,800 to 179,200 short tons. Rice purchases held steady at about 50,400 short tons, but the U.S. share of the market declined somewhat because of larger takings from other producers. From 375,200 short tons in 1964, imports of wheat declined to 352,800 last year.

Tobacco was again the second most imported agricultural item imported from the United States, but receipts fell sharply. At 91.5 million pounds,

imports of U.S. tobacco and tobacco manufactures were 26 percent below 1964 and 37 percent below 1963.

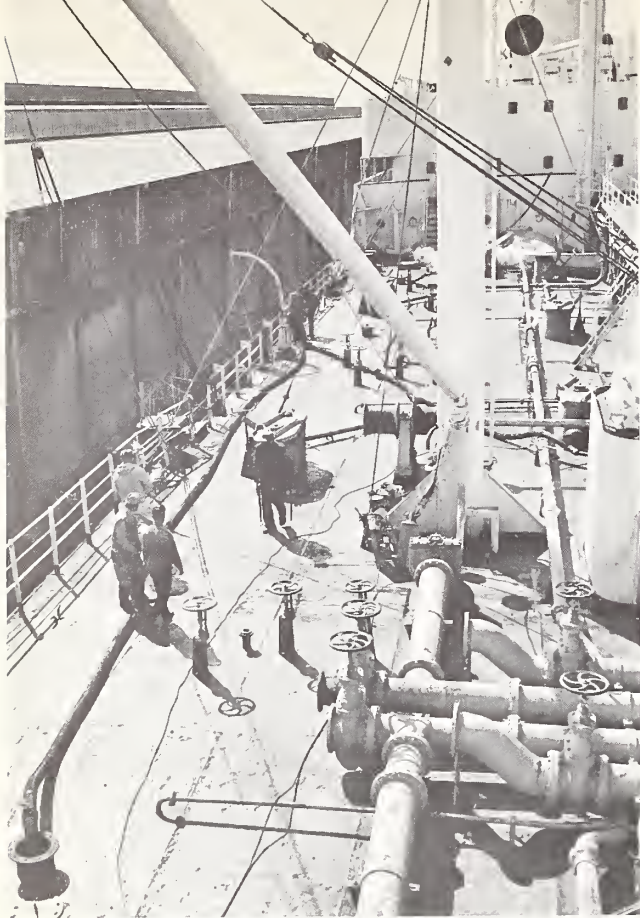
### Competition hurts lard

Lard took third place, but both the volume of imports from the United States and the U.S. share of the market declined. From 273,840 short tons in 1964, takings of U.S. lard fell to 128,240 tons last year, while the U.S. share of Britain's imports dropped from 89 to 55 percent. A deterioration of the price-competitive position of U.S. lard against that of European suppliers was primarily responsible.

While total imports of cotton fell 14 percent in 1965—mainly because of large stocks built up in 1964—takings from the United States declined by 37 percent. The better competitive position of other suppliers brought the U.S. share of the market down to 19 percent from 26 percent in 1964.

The U.S. share of Britain's raisin market rose from 7.1 percent in 1964 to 15.4 percent last year, and takings of U.S. apples held steady. On the other hand, the U.S. share for canned fruits dropped 2.6 percent.

Imports of U.S. oilseeds, nuts, and animal and vegetable oils declined slightly. But among processed feeds, the U.S. position improved markedly, with imports totaling 21,400 short tons—more than double the 1964 level.



*The Norwegian tanker, Gezina Brøvig, loads 1,000 metric tons of Darling tallow at Norfolk, Va.; destination, Rotterdam. The tallow, congealed in underground storage tanks, has been heated to 165-180° F. in order to be pumped through hoses into the ship's hold.*

## Darling Company Gets "E" Award For Tallow and Grease Exports

Darling and Company—a Chicago-based rendering firm—received on February 28 the Presidential "E" Award for substantially expanding export sales of U.S. inedible tallow and grease on a sustained basis.

How the company was able to develop this overseas market is explained by Robert E. Crohan—vice president of the company.

Rising domestic consumption of meat and use of synthetic detergents in the mid-1940's changed the United States from an importer of tallow and grease to a surplus producer. It was therefore necessary to develop new markets.

Surveys by Darling and Company revealed that most overseas nations were short of inedible fats, and exporting began.

### Exports to 18 countries

Today, Darling tallow and grease goes to more than 18 nations and 4 continents and accounts for well over half of the company's total sales.

This success can be laid to our company's willingness to actively seek out customers, to adopt more economical methods of storage and shipping, to assume more risk in credit arrangements, to continually service our customers overseas, and to seek ways of expanding the use of our product.

When first considering the foreign market as an outlet, we found overseas countries had no specific channels of distribution that could be used for exporting tallow. These channels had to be created in each country—sometimes with each customer—if we were to move products from Chicago and our other domestic plants to foreign buyers.

After considering a number of alternatives, we selected a general agent with headquarters in Paris, one who has sub-

agents in problem countries throughout the world. Because distribution overseas was new, many hours of personal contact and technical help were needed.

### Bulk shipping cuts cost

After exports began in quantity, Darling changed from the accepted method of packing tallow in 500-pound metal drums to the bulk shipping method, which allows export in larger quantities at lower prices. At the outset, bulk shipping costs ran around 50 cents per hundredweight. This was a major reduction over the \$2.00 per hundredweight spent on shipping in metal drums. Further efforts to do a better packaging job, brought our costs down to the current level of about 15 cents per hundredweight.

A policy decision by Darling to take more calculated financial risks opened the way to even larger volume shipping.

When Darling was selling in normal tank car quantities of 60,000 pounds, the capital investment was in the neighborhood of \$4,000 to \$5,000 per car.

However, when we put 2 million pounds of tallow in tanks shipped to foreign ports we have some \$200,000 invested—a far greater risk. We now ship such large dollar-valued amounts on sight-draft bill-of-lading terms and the material, loaded into tanks and shipped to foreign ports, remains our property until withdrawn from the vessel.

Were it not for this calculated credit risk, it seems unlikely that we could have penetrated foreign markets to the extent that we have.

In the past few years, rising consumption of meat overseas has stimulated development of foreign rendering industries, which has greatly stiffened competition within many markets. We are meeting this competition by offering our customers special services not available from locally based renderers.

One of these services is the distribution of information on proper utilization of fats in feed—a subject still relatively new in Europe. This assistance is given through direct technical aid from some of our top technical people, along with detailed brochures available in Japanese, Italian, and Spanish.

Through a combined total of well over 60 individual trips to over 30 countries, Darling and Company executives have discovered and developed new outlets for our tallow and grease.

Both technical and sales executives have undertaken specific market research projects in the use of fats for feeding in Italy, Spain, and France. Through discussions with farmers, feed manufacturers, and renderers, we determined what the farmer wanted, capabilities of feed manufacturers, and extent of local competition.

In developing our export business, we have pioneered several "firsts" including the first shipment of tallow in bulk via the Great Lakes and the first barge operation down the

*(Continued on page 16)*



# **Japan's City People, Bakeries, Institutions Responsible for Increased Use of Soybean Oil**

Most of the increased use of soybean oil in Japan in the past year has been by urban consumers, institutions, and the baking industry according to a market research study on edible oils recently completed for the American Soybean Association.

The bigger purchases of U.S. soybeans that have resulted bear out the consensus that the key to continuing gains in U.S. exports to Japan is promotion of soybean oil consumption. Production of soybean oil is growing as the country's crushing industry turns out more and more soybean meal for livestock and traditional Japanese foods.

Japan's consumption of all fats and oils—at around 14 pounds per person—still lags behind that of most other highly developed nations. It is one-fourth that of the Netherlands at 60 pounds and one-third the U.S. level of 46 pounds.

Another indicator of market potential is that most of Japan's increased caloric intake in recent years has been in the form of edible oils and fats and livestock products (other than fish). During 1934-38 the daily intake of edible oils and fats averaged 23 calories; in 1964-65 it was 166 calories.

## **Edible-oil use triples**

As a result, total edible oil consumption went from 191,000 metric tons in 1954 to 721,000 tons (forecast) in 1965.

Soybean oil has become the leading vegetable oil consumed in Japan, partly as a result of increased market promotion and Westernization of the Japanese diet. Other factors have been increased availability following the freeing of soybean imports in 1961 and bigger use of soybean meal as livestock feed.

Soybean oil consumption went from 59,000 metric tons in 1954 to 220,000 in 1964, or about 32 percent of edible oil consumed.

Use of rapeseed oil has increased only slightly and remains around 75,000 metric tons. It is now being challenged by oil produced from U.S. safflower seed, consumption of which

reached 72,000 metric tons in 1964.

Much of the greater use of vegetable oils has gone into cooking and salad oils, particularly in urban households. Soybean oil—found in 72-85 percent of urban households—was the most popular form of edible fat and oil used. In rural areas use of rapeseed oil is still fairly extensive.

Approximately half of the 313-grams of vegetable oil consumed per person each month is soybean oil. The others, in order of importance, are vegetable salad oil (47 grams), butter (44), margarine (25), and rapeseed oil (18), and sesame oil (14). These figures do not include the amount of vegetable oil given regularly in gift packages in Japan.

## **Use by all income groups**

The upper, middle, and lower income classes, all consumed soybean oil as a major source of edible fats and oils. Soybean oil was found in 83, 81, and 79 percent of the households respectively. Only in the upper income group is soybean oil consumption below that of butter.

Soybean oil was purchased by Japanese housewives 57 percent of the time because it was the oil they knew best. Other reasons were that it has a wholesome taste, fries well, and is relatively inexpensive when compared with other fats and oils. It was readily available at food stores.

## **Urban households**

Soybean oil use was increasing in 34 percent of the households surveyed. Around 50 percent of the households reporting an increase said the increase resulted from the children growing up, 43 percent because soybean oil was good for the health, and 34 percent reported that the increase resulted from a general improvement in the diet pattern. In Tokyo, 10 percent of the households reported the increase was because it was received as a gift.

Liquid vegetable oils are used in over 84 percent of the households for deep and shallow frying; they are also used in soups, roux, or salads.

In Japan as in the United States,

margarine and butter are used mainly as a spread for breads. However, the volume of soybean oil used in margarine is still small.

Salad oil (mainly cottonseed oil) is often used in place of soybean oil for frying in the Osaka-Kobe area.

## **Soybean-oil gifts lead**

Soybean oil was given as a gift during the last 6 months in 36 percent of all households surveyed. Other edible oil gifts were salad oil found in 31 percent of the households, sesame seed oil in 12 percent, and butter in 11 percent.

Soybean oil was even more popular as a gift in upper income groups where 57 percent reported receiving soybean oil in the last 6 months as gifts, and 50 percent salad oil.

Presenting vegetable oils as a gift at the year's end is a widespread custom throughout Japan. It was found that an important proportion of the total household consumption of each oil was received as a gift. The percentage was: soybean oil, 21 percent; sesame seed oil, 24 percent; salad oil, 27 percent; and butter, 7 percent.

The changing distribution patterns found for soybean oil show a large potential in urban markets. Twenty-five percent of the shops selling soybean oil in Japan reported an increase in sales over last year and two-thirds reported no change. Only 10 percent reported a decline.

## **Bigger supermarket sales**

Adding to the growing soybean oil market was the increase in sales made by large-scale shops including supermarkets. Nearly half of these shops handling a large percent of the vegetable oils in Japan had increased soybean oil sales during the past year.

One half of the large supermarkets and retailers reported they expected sales of soybean oil to increase; 2 percent thought they would decrease.

In the rural and fishing areas only one-third of the retailers were able to predict increased sales.

Along with increased household use over one-third of the Japanese edible oil market was found in the institutional and commercial trade. Nearly two-thirds of this demand is used for pastry, tempura, and aburaage.

The demand for vegetable oil, vegetable shortening, and margarine used by the baking industry for pastry is

*(Continued on page 16)*

## Loaders Speed New Zealand's Meat Shipments

The world's first mechanical all-weather meat loaders—now in their third year of operation—have made New Zealand's once-handicapped Port of Bluff a highly efficient outlet for the country's substantial export trade in meat, according to W. Gordon Loveless, U.S. agricultural attaché in New Zealand. In the picture below, the five loaders are simultaneously transferring frozen mutton into separate holds of a ship destined for Japan.

New harbor facilities were put into Bluff some years ago when the Southland Harbor Board installed an \$8.4-

million port on a manmade island at the southernmost tip of South Island. The Province has an expanding sheep population and three meat-packing plants which frequently had to keep back stock ready for export when bad weather delayed loading at docks.

The Board coped with the usual 60-percent loss of available working hours caused by bad weather by installing the covered automatic meat loaders.

Since their installation, the loaders are said to have saved about \$2.80 per ton in loading costs; together they can load 50,000 carcasses a day.



## Common Goals Spark Merger Of Japanese Noodle Groups

Common interests in research and promotion have spurred Japan's three major noodle associations to combine in a new group, the All Japan Federation of Noodle Industry Associations.

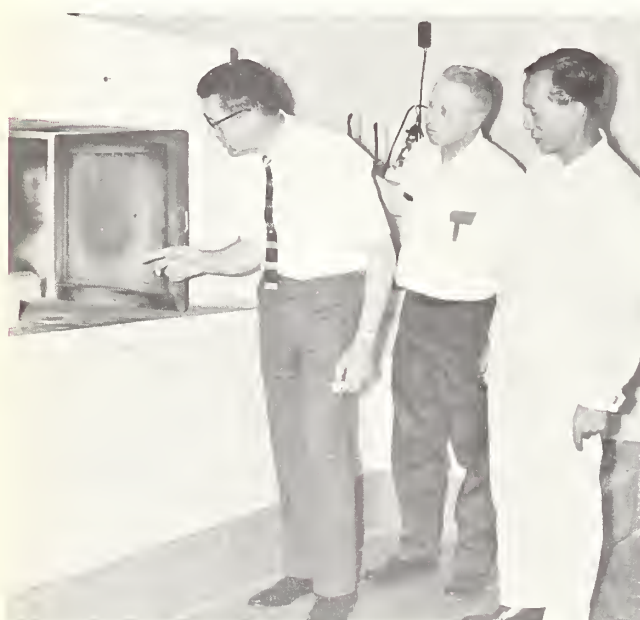
This organization, which embraces the former Japan Wet Noodle Association, the Japan Wet Noodle Manufacturers Association, and the Japan Dry Noodle Association, represents all phases of the noodle industry—from manufacturer, to distributor to retailer. Its first meeting was held January 24 in Tokyo.

Wheat Associates, in cooperation with FAS, helped bring about this alliance through joint promotional activities with the three associations and through training seminars on noodle manufacturing. These activities, in turn, have helped increase U.S. sales of wheat and wheat flour to the noodle industry, which accounts for roughly a third of Japan's total imports of these products.

Predominant types of wheat used by the industry are white wheat and Hard Red Winter wheat. Both of these are available from the United States in large quantities.

The United States in 1965 sent around \$109 million worth of wheat and flour to Japan, largest of its dollar markets for these products.

## School Bakeries Help Popularize Wheat Foods in Philippines



School bakeries in the Philippines—constructed and operated with the backing of Wheat Associates and FAS—are boosting both the quality and popularity of wheat foods in the islands. Centrally located ovens, like the one pictured at left at a high school near Manila, provide wheat food lunch snacks for children in nearby districts.

In addition to a small contribution to construction costs of the bakeries, WA provides technical information and assists in home economics and vocational training baking classes at the schools.

Since 1960, WA and FAS have jointly sponsored promotional activities to build sales and acceptance for U.S. wheat in what has become, after Japan, the United States second largest wheat market in Asia.

The Philippines purchased a total of 306,153 metric tons of wheat in 1965. Sixty-five percent of it was from the United States compared with a 48-percent share in 1964.

*Left, (l-r) Richard K. Baum, executive vice president of Wheat Associates, USA; and Board Member Don Howe, inspect a bakery. The school's principal is with them.*



## Heavy Rain and Floods Threaten Crops In Argentina's Northeastern Provinces

One of the worst floods in the history of Argentina has been occurring in the northeast part of the country along the Paraná, Paraguay, and Iguazu Rivers. With the flood still in full force in the first week of March, it was too early to assess the full effect on agriculture and current crops, but the Ministry of Agriculture has begun a survey which should provide such information later.

The Provinces most affected are Formosa, Chaco, Santa Fe, Corrientes, and Entre Ríos. Among the crops which are most important in this area are cotton, tobacco, rice, corn, and sunflowerseed. All were in the late-season growing period when the floods began in February. The Province of Chaco produces about three-fourths of the country's cotton, and Corrientes is the leading tobacco-producing area.

Besides suffering probable damage from flood waters, some of the crops have been affected by the very heavy rainfall. This applies to cotton to a considerable extent, with severe rains causing fiber damage and preventing proper spraying for pest control.

While there will be some livestock losses, they are not expected to be extensive. Most animals probably were moved out of range of the flood waters. However, problems of care and feeding could bring aftereffects.

## Recovery Seen in South African Corn Crop

The first official estimate of the current corn crop in the Republic of South Africa is 5 million metric tons. This compares with production of 4.3 million tons in the 2 drought-stricken years preceding and with the average 1960-62 harvest of 5.7 million tons. The present estimate is considered preliminary, since the main harvest (May 1) is still about 1½ months away.

Early prospects for the South African corn crop were very poor because of extreme drought at the start of the growing season. However, good rains arrived in mid-January and have continued since that time—leading to an unusual recovery in prospects for the crop.

A 5-million-ton crop would be fully adequate for domestic requirements, whereas substantial imports had previously been contemplated.

## Malay, Singapore Copra and Coconut Oil

Net exports of copra and coconut oil from the Malay States and Singapore in 1965 totaled 17,437 long tons (oil-equivalent basis) compared with 9,547 in 1964.

The Malay States and Singapore—together a net importer of copra—exported 15,494 tons of copra in 1965, against 5,862 in 1964. Over 80 percent of the total went to India. Imports increased 14 percent to 25,257 tons.

The Malay States and Singapore are, together, a net exporter of coconut oil, importing only insignificant quantities—3,151 tons in 1965 compared with 1,368 in 1964.

Exports in 1965 increased by more than one-fourth to 26,836 and went mainly to Canada, the Republic of South Africa, Burma, and North Viet-Nam.

TRADE IN COPRA AND COCONUT OIL BY THE MALAY STATES AND SINGAPORE

Continent and country	Copra		Coconut oil	
	1964 <sup>1</sup>	1965 <sup>1</sup>	1964 <sup>1</sup>	1965 <sup>1</sup>
	Long tons	Long tons	Long tons	Long tons
<b>EXPORTS</b>				
North America .....	—	—	<sup>2</sup> 2,139	<sup>3</sup> 8,119
South America .....	—	—	13	600
Europe:				
Germany, West .....	—	—	—	614
Italy .....	—	—	150	538
Netherlands .....	—	—	20	—
Spain .....	—	—	—	—
Sweden .....	—	—	—	—
United Kingdom .....	—	—	100	560
Other .....	—	—	831	—
Total Europe .....	—	—	3,253	10,431
Africa:				
Morocco .....	—	—	—	—
Mozambique .....	—	—	68	156
South Africa .....	—	( <sup>4</sup> )	2,527	2,391
U.A.R. ....	—	—	572	780
Other .....	—	—	1,401	2,860
Total Africa .....	—	( <sup>4</sup> )	4,568	6,187
Asia:				
Aden .....	—	—	1,025	684
Burma .....	—	—	5,115	2,200
Cambodia .....	—	39	967	1,299
China, Mainland .....	—	—	—	—
China, Taiwan .....	1,251	—	737	—
Hong Kong .....	—	—	449	410
India .....	1,300	12,686	—	—
Indonesia .....	—	—	—	—
Iraq .....	900	356	—	—
Japan .....	—	—	—	—
Pakistan .....	—	—	382	1,067
Viet-Nam, North .....	—	—	1,606	2,411
Other .....	2,411	2,413	3,180	2,036
Total Asia .....	5,862	15,494	13,461	10,107
Oceania .....	—	—	14	111
Grand total .....	5,862	15,494	21,296	26,836
<b>IMPORTS</b>				
Indonesia .....	—	—	—	—
Sabah .....	19,831	20,191	—	10
Sarawak .....	62	—	1,325	1,385
Other .....	2,190	5,066	43	1,756
Total .....	22,083	25,257	1,368	3,151
Net exports .....	-16,221	-9,763	19,928	23,685
Net exports of copra, coconut oil:				
Copra equiv. ....	14,917	27,245	—	—
Oil equiv. ....	—	—	9,547	17,437

<sup>1</sup>Preliminary. <sup>2</sup>All Canada. <sup>3</sup>7,729 tons to Canada. <sup>4</sup>Less than 1 long ton.

Compiled from official sources.

## U.S. Exports of Soybeans and Products

U.S. exports of soybeans in January declined to 19.6 million bushels against 31.4 million in December, reflecting smaller movements to Europe. However, exports were sharply above the 2.9 million bushels of January 1965 during the U.S. dock strike. Exports in the September-January period rose one-third above those of the comparable 1964-65 period.

**U.S. EXPORTS OF SOYBEANS, EDIBLE OILS,  
AND OILSEED CAKES AND MEALS**

Item and country of destination		September-January			
		January		1964-65 <sup>1</sup>	1965-66 <sup>1</sup>
		1965 <sup>1</sup>	1966 <sup>1</sup>		
<b>SOYBEANS</b>					
Japan	mil. bu.	0.7	4.7	19.0	26.0
Netherlands	do.	.6	3.6	14.4	18.2
Germany, West	do.	( <sup>2</sup> )	2.0	10.9	15.8
Canada	do.	.1	.1	16.7	15.1
Italy	do.	.5	1.9	4.7	11.0
Other	do.	1.0	7.3	29.5	41.3
Total	do.	2.9	19.6	95.2	127.4
Oil equiv.	mil. lb.	31.5	215.0	1,045.8	1,399.4
Meal equiv.	1,000 tons	67.5	460.2	2,238.4	2,995.0
<b>EDIBLE OILS</b>					
Soybean: <sup>3</sup>		January		1964-65 <sup>1</sup>	1965-66 <sup>1</sup>
		1965 <sup>1</sup>	1966 <sup>1</sup>		
Pakistan	mil. lb.	.2	9.9	74.7	98.8
Iran	do.	.2	14.7	26.9	51.4
Yugoslavia	do.	—	3.3	1.1	40.2
Israel	do.	—	—	16.8	15.4
Morocco	do.	—	—	8.9	14.2
Tunisia	do.	3.6	3.6	5.8	11.3
Canada	do.	2.8	1.9	10.1	7.7
Other	do.	61.6	11.2	309.7	45.5
Total	do.	68.4	44.6	454.0	284.5
Foreign donations <sup>4</sup>	do.	.9	18.2	<sup>5</sup> 9	43.7
Total soybean oil	do.	69.3	62.8	454.9	328.2
Cottonseed: <sup>3</sup>					
Germany, West	do.	46.3	20.2	72.7	39.6
Pakistan	do.	( <sup>6</sup> )	—	4.9	21.7
Canada	do.	2.6	5.0	17.2	18.2
Morocco	do.	4.4	2.1	11.0	14.2
Venezuela	do.	1.0	3.2	8.1	13.4
Mexico	do.	( <sup>6</sup> )	4.3	( <sup>6</sup> )	8.0
Iran	do.	3.5	.4	16.0	6.3
Netherlands	do.	2.2	—	15.6	5.4
Japan	do.	( <sup>6</sup> )	2.1	.2	5.4
Others	do.	5.4	2.5	65.5	12.4
Total	do.	65.4	39.8	211.2	144.6
Foreign donations <sup>4</sup>	do.	4.9	—	<sup>5</sup> 45.9	.7
Total cottonseed oil	do.	70.3	39.8	257.1	145.3
Total oils	do.	139.6	102.6	712.0	473.5
<b>CAKES AND MEALS</b>					
Soybean:					
Germany, West	1,000 tons	6.0	46.4	111.9	199.9
Netherlands	do.	3.7	28.4	100.5	141.0
France	do.	6.8	29.1	102.5	138.3
Canada	do.	19.1	15.7	93.5	89.9
Belgium	do.	3.3	19.0	59.0	68.2
Italy	do.	.1	20.8	31.8	64.3
Denmark	do.	1.2	19.6	40.4	61.3
United Kingdom	do.	1.1	20.8	5.7	53.8
Poland	do.	—	10.9	—	44.2
Other	do.	3.3	45.1	139.0	168.9
Total	do.	44.6	255.8	684.3	1,029.8
Cottonseed	do.	3.0	8.5	62.7	70.3
Linseed	do.	1.3	2.5	24.1	48.5
Total cakes and meals <sup>7</sup>	do.	49.1	269.4	776.4	1,161.5

<sup>1</sup> Preliminary. <sup>2</sup> Less than 50,000 bushels. <sup>3</sup> Includes Titles I, II, III, and IV of P.L. 480, except soybean and cottonseed oils contained in shortening under Title II. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. <sup>4</sup> Title III, P.L. 480. <sup>5</sup> October-December 1964 estimated by USDA, includes salad oil and oil in shortening. <sup>6</sup> Less than 50,000 pounds. <sup>7</sup> Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records and USDA estimates.

Note: Countries indicated are ranked according to quantities taken in the current marketing year.

January exports of *edible oils*, at 102.6 million pounds, were substantially below the 236 million exported in December and the lowest since October 1965 when 56.1 million pounds were exported. Total exports in the October-January period were one-third below those in the comparable period last year. Most of the cumulative decline reflected reduced exports to European countries, where takings of soybeans have risen.

*Cake and meal* exports in January, at 269,400 short tons, were nearly one-fourth below the 347,900 tons shipped in December but markedly above the small volume exported in January 1965—again because of the U.S. dock strike.

## Nigerian Palm Purchases Up 10 Percent

The Regional Marketing Boards of the Federation of Nigeria purchased 443,065 long tons of palm kernels for crushing and export in calendar year 1965 and 161,821 tons of palm oil, most of which is exported. These quantities exceeded the 401,388 and 147,981 tons purchased in 1964 by about 10 percent.

The Nigerian Marketing Boards, through their sales agent, the Nigerian Produce Marketing Company, Ltd., have complete control over exports of palm products as well as most other agricultural commodities.

## Turkish Olive Oil Exports Expand

Exports of edible olive oil from Turkey in calendar 1965 totaled 22,639 short tons, compared with 8,261 in 1964 and 29,192 in 1963. Most of these exports have moved to Italy. The increase in Turkish exports reflected larger availabilities from the 110,000-ton output of 1964-65 against an output of only 72,000 tons in 1963-64.

The value per unit of exported oil increased by an average of 10 percent from that of 1964. This increase reflected an overall reduction in exportable supplies from the major olive oil exporting countries of the Mediterranean Basin, notably Spain and Tunisia.

## Turkish Cotton Exports at High Level

Exports of cotton from Turkey during the first 5 months (August-December) of the current season totaled 390,000 bales, compared with 395,000 during the same months of 1964-65. Total exports for the full 1965-66 season may reach 900,000 bales, against a record 773,000 bales in 1964-65. Export registrations through February 19 amounted to 840,000 bales.

Principal destinations of cotton exports in the August-December period, in thousands of bales and with comparable 1963-64 figures in parentheses, were United Kingdom 64 (78), Italy 51 (46), Belgium 45 (55), West Germany 39 (51), Portugal 32 (68), Switzerland 32 (23), France 22 (27), Lebanon 19 (14), Greece 15 (13), Taiwan 11 (0), Hungary 10 (0), and Yugoslavia 8 (0).

Turkey's 1965-66 cotton crop is now estimated at 1.4 million bales, 7 percent below last season's record crop of 1.5 million. Despite the smaller crop, consumption this season is expected to exceed last season's 575,000-bale level by about 4 percent. Stocks have necessarily risen in recent years to meet minimum requirements of the



growing textile industry. The large 1964-65 crop resulted in a larger than normal stock position of about 265,000 bales last August 1. Stocks are likely to be pulled down to around 150,000 bales by the end of July.

On February 24, offering prices c.i.f. Liverpool for Turkish Izmir Standard I SM 1-1/16 inches cotton were 29.30 cents per pound, compared with 29.12 cents for equivalent U.S. qualities.

Canada's Cotton Consumption Continues Strong

Textile mills in Canada opened 249,494 bales (480 lb. net) of cotton in the August-January period of 1965-66, according to the Canadian Textile Institute. This is 8 percent above the 230,094 bales opened in the same period of 1964-65. January openings were 40,528 bales, compared with 42,469 in December and 36,873 in January 1965.

U.S. Mohair Exports Recover in 1965

Mohair exports from the United States in 1965 recovered partially from their sharp drop in 1964.

U.S. prices averaged considerably lower during the year, attracting foreign buyers who were out of the market most of the previous year.

For only the second time since the incentive payment program began in 1954, growers will receive a payment for the 1965 clip.

Nearly half the total exports went to the United Kingdom, historically the world's major buyer of mohair.

U.S. EXPORTS OF MOHAIR<sup>1</sup>

Country of destination	Average 1956-60	1963	1964	1965 <sup>2</sup>	Change from 1964
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Per cent
Canada	202	99	135	154	+19
Mexico	40	198	336	393	+57
EEC:					
Belg./Lux.	1,044	1,403	430	1,452	+1,022
France	81	45	54	35	-19
Germany, West	74	62	9	574	+565
Italy	243	1,278	30	167	+137
Netherlands	2,682	1,498	250	367	+117
Total EEC	4,124	4,286	773	2,595	+1,822
United Kingdom	8,235	6,666	778	4,168	+3,390
Spain	3	9	13	188	+175
Switzerland	104	364	146	185	+39
Japan	463	2,537	447	771	+324
Others	251	41	29	54	+25
Total	13,422	14,200	2,657	8,508	+5,851

<sup>1</sup>Clean content. Includes other wool-like specialty hair.  
<sup>2</sup>Preliminary.  
Bureau of the Census.

Mexico Suspends Exports of Processing Meat

Recent reports indicate that Mexico has suspended exports of processing meat. Although there is no current shortage of meat in Mexico, this measure appears to have been taken in order to prevent a shortage like the one which developed last year.

U. S. Tobacco Exports Up Sharply In January

Exports of unmanufactured tobacco from the United States in January totaled 32 million pounds, compared with

only 6 million in January 1965. Last year the dock strike sharply reduced the volume shipped abroad. The value of exports this year also was up substantially, to \$28.3 million from \$3.2 million in January 1964.

For the period July 1965 through January 1966, exports of unmanufactured tobacco totaled 328.7 million pounds, up about 3 percent from the 318.6 million shipped out in the first 7 months of fiscal 1965.

U. S. EXPORTS OF UNMANUFACTURED TOBACCO, IN JANUARY  
[Export weight]

Kind	Quantity		Value	
	1965	1966	1965	1966
	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars
Flue-cured	3,844	24,804	2,566	23,264
Burley	89	2,684	70	2,318
Dark-fired Ky.-Tenn.	72	339	38	189
Va. fire-cured <sup>1</sup>	52	1,181	30	798
Maryland	35	491	15	404
Green River	—	78	—	50
One Sucker	—	17	—	7
Black Fat	47	280	28	261
Cigar wrapper	72	282	233	562
Cigar binder	246	92	151	90
Cigar filler	33	73	16	39
Other	1,494	1,649	86	357
Total	5,984	31,970	3,233	28,339

<sup>1</sup> Includes sun-cured.  
Bureau of the Census.

U. S. EXPORTS OF TOBACCO PRODUCTS

Kind	January	
	1965	1966
Cigars and cheroots		
1,000 pieces	1,309	4,218
Cigarettes		
Million pieces	718	1,515
Chewing and snuff		
1,000 pounds	1	49
Smoking tobacco in packages		
1,000 pounds	8	108
Smoking tobacco in bulk		
1,000 pounds	119	592
Total declared value		
Million dollars	3.4	7.9

Bureau of the Census.

Burma's Cigarette Output Changes Course

Cigarette output in Burma turned upward in fiscal 1964-65 (October-September) after declining for 4 consecutive fiscal years. Output totaled 1,015 million pieces—up 16.2 percent from the 873 million produced in fiscal 1963-64, but still considerably below the 1959-60 high of 1,360 million.

Jute Prices Up In January and February

Wholesale prices of raw jute as of March 3 (New York market) were up more than 25 percent from December 1965 levels. Export firsts were quoted at 20.5 cents per pound and ordinary cuttings at 11 cents, levels they had reached in mid-February after rising 2.2 and 1.4 cents, respectively, from corresponding prices for these grades on February 3.

During November-December 1965, prices were largely nominal, at 16.2 cents for export firsts and 8.5 cents for ordinary cuttings. In mid-January, however, prices for these grades rose to 18 and 9.6 cents, respectively. The rise in prices in January was largely due to heavy end-of-year buying by many large importers, who had been deferring

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their purchases. The further rise in mid-February was generally attributed to stronger price tones prevailing in Pakistan, principal exporter of raw jute.

Prices for most jute manufactures early in March 1966 (16.4 cents a yard for 10-ounce, 40-inch burlap) were slightly lower than those of December 1965. However, they were still well above levels of a year ago. These higher prices resulted from the short 1965-66 Indian jute crop and disruptions in the normal flow of supplementary supplies of raw jute from Pakistan to India. However, some of the shortfall will be offset by larger purchases from Thailand.

In view of the shortage of raw supplies to Indian mills, the Indian Jute Mills Association, Calcutta, has advised its member mills to reduce their consumption of fiber during March-August 1966 to 90 percent of average monthly consumption in 1965, which would be equal to 400,000 bales or 71,428 long tons for the 6-month period.

Because of relatively high prices for raw jute in 1965, U.S. purchases dropped to 35,743 long tons valued at \$7.7 million. This compares with purchases of 72,972 tons valued at 11.8 million in 1964. The United States imports most of its jute needs as manufactures, mainly woven jute fabrics for bags, carpet backing, and cotton-bale covers. These purchases totaled \$173 million in 1964.

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## Market Study of Soybean Oil in Japan

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increasing and shows a large potential. More soybean oil and rapeseed oil is also being used for such Japanese foods as aburaage, soybean curd, and tempura (Japanese-style deep-fried food).

Westernization of Japanese eating habits has brought a demand for soybean oil lard, sesame oil, and vegetable salad oils in restaurants and cafes where thirty percent of the institutional and commercial demand for vegetable oil is found.

Demand is also expanding in school, hospital, dormitory, and industrial feeding programs.

Japanese domestic soybeans and imported Chinese soybeans are used for food purposes. They are low in oil content compared with imported U.S. soybeans and thus are not as good for crushing. Increased imports of U.S. soybeans have contributed to developing and supplying the growing demand for vegetable oils.

Japan consumed 1,749,000 tons of soybeans in 1964 of which 1,649,000 tons were imported; 1,322,000 tons, or 82 percent, came from the United States. It is expected that future imports of oilseeds for crushing will consist largely of soybeans which will come predominantly from the United States.

The demand for soybean for the food market is not expected to increase greatly from the present level and does not offer a promising market for U.S. soybeans. Our greatest market potential is with the crushing industry.

Demand for soybean meal is growing, affording an excellent stimulus to bigger use of soybean oil.

## Darling Gets Export "E" Award

(Continued from page 10)

Illinois Waterway for shipment via New Orleans. Furthermore, we were the first to arrange trainload shipments to enable rail carriers to compete with waterway transportation to both New Orleans and Norfolk, Va.

At the present time, our company is exporting direct from plants in Chicago, Detroit, Cleveland, and Buffalo and from leased terminals in Norfolk and Avondale, La. The company also barges from its leased terminal in Omaha, Nebr., via the Missouri and Mississippi Rivers to New Orleans for shipment to overseas markets.